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ART UNIT	PAPER NUMBER
3691	

NOTIFICATION DATE	DELIVERY MODE
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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	Application No.	Applicant(s)
Office Action Summary	09/967,045	KRAEHENBUEHL ET AL.
	Examiner	Art Unit	
	BIJENDRA K. SHRESTHA	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on *20 November 2009*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-11 and 46-53* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-11 and 46-53* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☒ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5)☐ Notice of Informal Patent Application

6)☐ Other: _____.

DETAILED ACTION

This Non-Final Office action is in response to the response filed on November 20, 2009. Claims 1-11 and 46-53 are pending.

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 11/20/2009 has been entered.

Claim Rejections - 35 USC § 101

1.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2.   Claims 1-11 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Regarding claims 1-11, it appears that the claimed method steps could simply be performed by mental process alone and are not statutory. These claims are directed towards steps of "identifying", "determining", "offering", "accepting", "providing", "ranking" and "consummating" without including another machine. Since the claims are

directed to a process without including another machine, these claims fall within the scope of human intelligence alone, and are non-statutory.

The applicant amendment with addition of new languages "at a server", "at the server" and "at an auction ranking element engine" did not positively claim the recited steps to tie another machine to overcome the U.S.C. 101 rejection. Examiner recommends applicant to provide languages " by a server" or "by the server and "by ranking element engine" to meet U.S.C.101 requirements.

Based on Supreme Court precedent and recent Federal Circuit decisions, a 35 U.S.C § 101 process must (1) be tied to a particular machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the particular machine to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. *Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al.*

Claim Rejections - 35 USC § 103

1.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2.   Claim 1, 3-11, 46, 48-50 and 53 are rejected under 35 U.S.C. 103(a) as being

unpatentable by Erlanger et al. U.S. Patent No. 6,594,635 (reference A in attached

PTO-892) in view of Wu, U.S. Patent No. 7,200,570 (reference B in attached PTO-892)

further in view of Kinney, Jr. et al., U.S. Patent No. 6,871,191 (reference C in attached

PTO-892).

3.   As per claim 1 and 11, Erlanger et al. teach a method of selling reinsurance,

comprising the steps of:

identifying a reinsurance product based on information stored in a database

associated with a system (see Fig. 5, steps 313-319; column 19, lines 45-51; column

20, lines 1-17; where reinsurers and reinsurees base their bids and offers for specific

reinsurance product based information provided to them in steps 312)

determining, *at a server,* a capacity of the reinsurance product to be sold (see

Fig. 5; column 20, lines 37-46; where in step 316, data processing system 101 provides

capacity of reinsurance product to be sold in terms of dollar volume and price for certain

portion of the capacity of reinsurance);

accepting, at the server, bids from reinsurees for at least a portion of capacity (see Fig. 1; column 20, lines 25-46; where data processing system received bids from reinsurerees for portion of risk associated with one or more existing contract);

Erlanger et al. further teach offer or sale of insurance and reinsurance, at the server, through bidding and ranking the bids, wherein the ranking of the bids at least considers a least premium (see Fig. 1, Reinsurer (107-1....107-k, 108-1....108-M); column 16, lines 15, lines 32-39 and column 16, lines 44-53; where insurer is ranked according to one with the lowest premium for given coverage in Table 4, 5, and 9) and a time stamp associated with each of the bids, an older time stamp resulting in a higher ranking for a given bid and a higher calculated profitability resulting in a higher ranking for a given bid (see column 15, lines 40-48; where data processing selects chronologically first to offer when more than two insurer offer same premium; Examiner notes that bids of reinsurees could be ranked as described for insurer after reinsurance bid obtained as illustrated in Fig. 5, steps 313-317).

Wu teaches sale of product (reinsurance) through an auction and ranking the bids, at an auction ranking element engine, wherein the ranking of the bids at least considers a calculated profitability value and a time stamp associated with each of the bids (see Fig. 2; Auction Server (202), Bid Evaluator (206); column 4, lines 5-13; column 2, lines 36-43; column 3, lines 37-39; column 6, lines 36-43; where bids are submitted to auction server and evaluated and ranked by Bid Evaluator using multiple attribute enabling to evaluate bids based on specific criteria and select the winning bid in the auction);

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to allow sale of product (reinsurance) through an auction and

ranking the bids, wherein the ranking of the bids at least considers a calculated

profitability value and a time stamp associated with each of the bids of Erlanger et al.

because Wu teaches including above features would enable to buy and sell product and

services based on multiple characteristics (Wu, abstract, column 1, lines 6-10).

Erlanger et al. do not teach step of accepting bids comprises providing a status

for the bids, the status comprising one of OK, Partial OK, and Excluded, the status OK

representing that a bid will be accepted, the status Partial OK representing that only a

portion of the capacity in a bid will be filled, and the status Excluded representing that a

bid will not been accepted and ; and consummating a contract for the sale of at least a

portion of the reinsurance product to holders of winning bids, and assigning each of a

winning bids a status of OK denoting acceptance of a bid, or a status of Partial OK

denoting only a portion of requested capacity will be filled.

Kinney, Jr. et al. teach accepting, at the server, bids for at least a portion of the

capacity (Kinney, Jr. et al., Fig. 3; Fig. 5A and 5B; Supplier D, E, F and G bids for

portion total capacity (quantity of 50,000 tons), and bids of D and E is accepted in Fig.

5A and bids of D, E and F is accepted in Fig. 5B), wherein the step of accepting bids

comprises providing a status for the bids, the status comprising one of OK, Partial OK,

and Excluded (see Fig. 5A and 5B; where status of bid is indicated in column 540 (In

(tons)) and 550 (Out (tons)); column 9, lines 15-22; where status of bid accepted in

entirety, partially accepted and rejected entirety is displayed); and consummating a

contract, using communication network, for the sale of at least a portion of the

reinsurance product to holders of winning bids (see Fig. 1 and 3; Fig. 5A and 5B; where

suppliers A-G consummate portion of capacity (quantity)), and assigning each of a

winning bids a status of OK denoting acceptance of a bid, or a status of Partial OK

denoting only a portion of requested capacity will be filled (see Fig. 5A and 5B, column

540, 550; column 9, lines 15-22; column 13, lines 65-67 to column 14, lines 1-11; where

status of bid accepted in entirety, partially accepted and rejected entirety and these

information is transmitted to the participating suppliers and each supplier can view

status of their own bids using communication network).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include step of accepting bids comprises providing a status for

the bids, the status comprising one of OK, Partial OK, and Excluded; and

consummating a contract for the sale of at least a portion of the reinsurance product to

holders of winning bids, and assigning each of a winning bids a status of OK denoting

acceptance of a bid, or a status of Partial OK denoting only a portion of requested

capacity will be filled of Erlanger et al. because Kinney, Jr. et al. teach including above

features would enable to increase the competitiveness within an auction by enabling

auction system to process bids for portions of a specified lot (Kinney, Jr. et al., column

4, lines 28-30).

4.   As per claim 3, Erlanger et al. in view of Wu further in view of Kinney, Jr. et al.

teach claim 1 as described above. Erlanger et al. further teach the method, wherein

the auction comprises an on-line auction (Erlanger et al., Fig. 5, step 313; column 8, lines 39-45; where plurality of reinsurers bid for a portion of capacity of reinsurance in the internet).

5.   As per claim 4, Erlanger et al. in view of Wu further in view of Kinney, Jr. et al. teach claim 3 as described above. Erlanger et al. further teach the method, wherein

the auction employs the Internet (Erlanger et al., column 8, lines 39-46; where data network is accessible through Internet).

6.   As per claim 5, Erlanger et al. in view of Wu further in view of Kinney, Jr. et al. further teach claim 3 as described above. Erlanger et al. further teach the method, wherein

the auction is presented via a browser (Erlanger et al., column 8, lines 45-46; where data processing system is accessible via World Wide Web presenting auction via web browser).

7.   As per claim 6, Erlanger et al. in view of Wu further in view of Kinney, Jr. et al. teach claim 1 as described above. Erlanger et al. further teach the method comprising:

accepting bids from at least one of direct insurers and brokers (Erlanger et al., Fig. 1; where bids are accepted from direct insurers and brokers (insurance agent) who has access to data processing system through the Internet).

8.   As per claim 7, Erlanger et al. in view Wu further in view of Kinney, Jr. et al. teach claim 1 as described above. Erlanger et al. further teach the method, wherein bids comprise:

at least a bid amount and an indication of the amount of desired capacity

(Erlanger et al., Fig. 5; column 20, lines 8-16; where in step 313, data processing

system 101 receives a bid price to buy reinsurance from plurality of reinsurers; bids

includes information such as premium to assume 10% of the liability in a pool of 100

flood insurance policies, dollar amount for a reinsurance product).

9.   As per claim 8, Erlanger et al. in view of Wu further in view of Kinney, Jr. et al.

teach claim 1 as described above.

Erlanger et al. <u>do not teach the calculated profitability value associated with each</u>

<u>of the bids is calculated based a return on sales</u>.

Wu teaches the calculated profitability value associated with each of the bids is

calculated based a return on sales (see column 6, lines 22-26; 37-43).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include the calculated profitability value associated with each of

the bids is calculated based a return on sales of Erlanger et al. because Wu teaches

including above features would enable to evaluate bids according to this criteria that are

functions of these attributes in order to determine the winning bid(s) (Wu, column 2,

lines 41-43).

10.   As per claim 9, Erlanger et al. in view of Wu further in view of Kinney, Jr. et al.

claim 8 as described above.

Erlanger et al. <u>do not teach the return on sales ratio is a selling price minus a fair</u>

<u>risk price divided by the selling price or the selling price divided by the fair risk price</u>.

Wu defines profit evaluation as selling price minus default configuration cost and

the extra cost of upgrade cost (see column 6, lines 22-28; where profitability of each

bids are calculated based on selling price, installation and upgrade cost and assembly;

Examiner notes the specification of this application in page 18, paragraph [0065]

specifies *"there is no set or preferred profitability calculation"*).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include the return on sales ratio is a selling price minus a fair risk

price divided by the selling price or the selling price divided by the fair risk price of

Erlanger et al. because Wu teaches including above features would enable to calculate

profitability value for profit evaluation (Wu, column 6, lines 22-28).

It is known to one of ordinary skill in the art at the time the invention that financial

ratio Return on Sales represents Operative Profit Margin which is calculated by Net

Profit divided by Sales (see attached reference U and V in PTO-892). Profit Margin or

Return on Sales ratio as calculated could be used to rank the bids as described in claim

1).

11.   As per claim 10, Erlanger et al. in view of Wu further in view of Kinney, Jr. et al.

claim 8 as described above.

Erlanger et al. <u>do not teach changing a status of at least one bid</u>.

Kinney, Jr. et al. teach changing a status of at least one bid (see Fig. 5A and 5B;

where column 550 shows changes from rejected in entirety bid of supplier E in Fig. 5A

to accept in entirety in Fig. 5B).

Therefore, it would be obvious to one of ordinary skill in the art at the time the

invention was made to include changing a status of at least one bid of Erlanger et al.

because Kinney, Jr. et al. teach including above features would enable to increase the

competitiveness within an auction by enabling auction system to process bids for

portions of a specified lot (Kinney, Jr. et al., column 4, lines 28-30).

12.   As per claim 46, Erlanger teach a system for selling a reinsurance product,

comprising:

        a fair risk price calculator (see Fig. 5; column 20, lines 34-36; where data

processing system 101, calculates offer to sell price or fair risk price based on statistics

received by the reinsurer in step 312);

        a web server in communication with the Internet (see Fig. 2; where computer

201 in data processing system communicate with reinsurers and reinsurees via

Internet and telephone network), wherein

        the fair risk price calculator provides information for calculating minimum bid (see

column 20, lines 34-36, the database stores information related to at least one auction

for at least one reinsurance product), and the auction ranking element engine is

operable to rank bids submitted to the database via the web server(see Fig. 2); and

        Erlanger et al. further teach sale of insurance and reinsurance through bidding

and ranking the bids of reinsurees, wherein the ranking of the bids of the at least

considers a least premium (see Fig. 1, Reinsurer (107-1....107-k, 108-1....108-M);

column 16, lines 15, lines 32-39 and column 16, lines 44-53; where insurer is ranked

according to one with the lowest premium for given coverage in Table 4, 5, and 9) and a time stamp associated with each of the bids, an older time stamp resulting in a higher ranking for a given bid and a higher calculated profitability resulting in a higher ranking for a given bid (see column 15, lines 40-48; where data processing selects chronologically first to offer when more than two insurer offer same premium; Examiner notes that bids of reinsurees could be ranked as described for insurer after reinsurance bid obtained as illustrated in Fig. 5, steps 313-317);

Erlanger et al. do not teach an auction and auction participant database and an auction ranking element engine, wherein the ranking of the bids at least considers a calculated profitability value, the calculated profitability value being a return on sales ratio being a selling price divided by the fair risk price and a time stamp associated with each of the bids.

Wu teaches teach an auction and auction participant database and an auction ranking element engine, wherein the ranking of the bids at least considers a calculated profitability value, the calculated profitability value being a return on sales ratio being a selling price divided by the fair risk price and a time stamp associated with each of the bids (see Fig. 2; column 2, lines 36-43; column 3, lines 37-39; column 6, lines 36-43; where multiple attribute auction enables to evaluate bids based on specific criteria and select the winning bid in the auction; column 6, lines 22-28; where profitability of each bids are calculated based on selling price, installation and upgrade cost and assembly; Examiner notes the specification of this application in page 18, paragraph [0065] specifies "there is no set or preferred profitability calculation"));

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include an auction and auction participant database and an auction ranking element engine, wherein the ranking of the bids at least considers a calculated profitability value, the calculated profitability value being a return on sales ratio being a selling price divided by the fair risk price and a time stamp associated with each of the bids of Erlanger et al. because Wu teaches including above features would enable to buy and sell product and services based on multiple characteristics (Wu, abstract, column 1, lines 6-10).

Erlanger et al. <u>do not teach bidding status wherein a status of OK denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition is met, and a status of Excluded denotes that a bid has not been accepted</u>.

Kinney, Jr. et al. teach bidding status wherein a status of OK denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition is met, and a status of Excluded denotes that a bid has not been accepted (see Fig. 5A and 5B; where status of bid is indicated in column 540 (In (tons)) and 550 (Out (tons)); column 9, lines 15-22; column 13, lines 65-67 to column 14, lines 1-11; where status of bid accepted in entirety, partially accepted and rejected entirety and these information is transmitted to the participating suppliers and each supplier can view status of their own bids).

Therefore, it would be obvious to one of ordinary skill in the art at the time the invention was made to include bidding status wherein a status of OK denotes acceptance of a bid, a status of Partial OK denotes only a portion of condition is met, and a status of Excluded denotes that a bid has not been accepted of Erlanger et al.

because Kinney, Jr. et al. teach including above features would enable to increase the

competitiveness within an auction by enabling auction system to process bids for

portions of a specified lot (Kinney, Jr. et al., column 4, lines 28-30).

13.   As per claim 48, Erlanger et al. in view of in view of Wu further in view of Kinney,

Jr. et al. teach claim 46 as described above. Claim 48 is rejected under same rational

as claim 8 as described above.

14.   As per claim 49, Erlanger et al. in view of in view of Wu further in view of Kinney,

Jr. et al. teach claim 46 as described above.

        Erlanger et al. further teach the system, wherein

        direct insurers submit bids to the web server (Erlanger et al., Fig. 1; Fig. 2; where

direct insurers (102-1->102-i) submits bid to data processing system 101 via web server

(201)).

15.   As per claim 50, Erlanger et al. in view of in view of Wu further in view of Kinney,

Jr. et al. teach claim 46 as described above.

        Erlanger et al. further teach the system, wherein

        a submitted bid comprises a bid amount and a desired coverage amount (see

column 19, lines 58-64).

16.   As per claim 53, Erlanger et al. in view of in view of Wu further in view of Kinney,

Jr. et al. teach claim 46 as described above.

        Erlanger et al. further teach the system, wherein

        the direct insurers participate as bidders for the reinsurance product (see Fig. 1;

Fig. 2).

17.   Claim 2, 47, 51 and 52 are rejected under 35 U.S.C. 103(a) as being

unpatentable by Erlanger et al. U.S. Patent No. 6,594,635 (reference A in attached

PTO-892) in view of Wu, U.S. Patent No. 7,200,570 (reference B in attached PTO-892)

further in view of Kinney, Jr. et al., U.S. Patent No. 6,871,191 (reference C in attached

PTO-892) and further in view of Klaus, U.S. Patent No. 7,080,020 (reference D in

attached PTO-892).

18.   As per claim 2, Erlanger et al. in view of in view of Wu further in view of Kinney,

Jr. et al. teach claim 1 as described above.

        Erlanger et al. <u>do not teach the method wherein the reinsurance product is at</u>

<u>least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe</u>

<u>reinsurance</u>.

        Klaus teaches the method wherein the reinsurance product is at least one of

earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance

(see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product includes

windstorm (hurricane) and marine).

            Therefore, it would be prima facie obvious to one of ordinary skill in the art

at the time the invention was made to include method wherein the reinsurance product

is at least one of earthquake reinsurance, windstorm reinsurance and marine

catastrophe reinsurance of Erlanger et al. because Klaus teaches inclusion of such high

risk insurance would spread risk among multiple carriers, each covering a portion of the

total risk (Klaus, column 2, lines 50-53).

19.   As per claim 47, Erlanger et al. in view of in view of Wu further in view of Kinney,

Jr. et al. teach claim 46 as described above.

Erlanger et al. <u>do not teach the method wherein the reinsurance product is at</u>

<u>least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe</u>

<u>reinsurance</u>.

Klaus teaches the method wherein the reinsurance product is at least one of

earthquake reinsurance, windstorm reinsurance and marine catastrophe reinsurance

(see Fig. 3; column 2, lines 34-36, 48-50; where reinsurance product include windstorm

(hurricane) and marine).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the

time the invention was made to include method wherein the reinsurance product is at

least one of earthquake reinsurance, windstorm reinsurance and marine catastrophe

reinsurance of Erlanger et al. because Klaus teaches inclusion of in such high risk

insurance would spread among multiple carriers, each covering a portion of the total risk

(Klaus, column 2, lines 50-53).

20.   As per claim 51, Erlanger et al. in view of in view of Wu further in view of Kinney,

Jr. et al. teach claim 50 as described above.

Erlanger et al. <u>do not teach the system, wherein the auction ranking element</u>

<u>engine determines whether the sufficient capacity remains to satisfy the desired</u>

<u>coverage amount</u>.

Klaus teaches the system that determines whether the sufficient capacity

remains to satisfy the desired coverage amount (see column 11, lines 44-67).

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include the system that determines whether the sufficient capacity remains to satisfy the desired coverage amount of Erlanger et al. because Klaus teaches that including system that determines whether the sufficient capacity remains to satisfy the desired coverage amount would enable to withdraw any proposal or bid whose acceptance would reduce the available capacity below selected amount which is generally zero (Klaus, column 11, lines 53-57).

21.   As per claim 52, Erlanger et al. in view of in view of Wu further in view of Kinney, Jr. et al. teach claim 46 as described above.

Erlanger et al. further teach the system, wherein system provides efficient market for reinsurer and reinsuree , is operated by those parties who patronize it by using the system (see column 3, lines 11-15).

Erlanger et al. do not teach the system, wherein the system is operated by or on behalf of a reinsurance company.

Klaus teaches the system is operated by or on behalf of a reinsurance company (see column 6, lines 1-3).

Klaus teach the system is assembled, operated, maintained and connected to Internet by and under the authority of reinsurer (see column 6, lines 1-3; where reinsurer assemble, operate and maintain the system)

Therefore, it would be prima facie obvious to one of ordinary skill in the art at the time the invention was made to include the system is operated by or on behalf of a reinsurance company of Erlanger et al. because Klaus teaches including the system is

operated by or on behalf of a reinsurance company enable reinsurer have authority in

the system (Klaus, column 6, lines 1-3).

Response to Arguments

22.   New grounds of rejections of claims necessitated by Applicant's amendment are

established in the instant application. Applicant's arguments with respect to claims have

been considered but are moot in view of the new ground(s) of rejection.

Nonobviousness cannot be established by attacking the references individually,

when the rejection is predicated upon a combination of prior art disclosures. See In re

Merck & Co., 800 F.2d 1091, 1097 (Fed. Cir.1986). The applicant has attacked the

references individually, when rejection was made using a combination of Erlanger et al.,

Wu, Kinney, Jr. et al. and Klaus. The claimed invention is merely a combination of old

elements, and in the combination each element merely would have performed the same

function as it did separately, and one of ordinary skill in the art would have recognized

that the results of the combination were predictable.

Additionally, it is noted that KSR forecloses the argument that a **specific**

teaching, suggestion, or motivation is required to support a finding of obviousness.

Under KSR, a claim would have been obvious if the claimed elements were known in

the prior art and one skilled in the art could have combined the elements as claimed by

known methods with no change in their respective functions, and the combination would

have yielded nothing more than predictable results to one of ordinary skill in the art at

the time of the invention (Rationale A). Furthermore, under KSR, a claim would have

been obvious if a particular known technique was recognized as part of the ordinary

capabilities of one skilled in the art. One of ordinary skill in the art would have been

capable of applying the teachings of Boyd and Ovadia into the disclosure of Pentel and

the results would have been predictable to one of ordinary skill in the art (Rationale D).

In response to applicant's argument that the references fail to show certain

features of applicant's invention, it is noted that the features upon which applicant relies

are not recited in the rejected claim(s). Although the claims are interpreted in light of

the specification, limitations from the specification are not read into the claims. See *In

re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Conclusion

23.   Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant

is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not

mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any

extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later

than SIX MONTHS from the date of this final action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosures. The following are pertinent to current invention, though not relied upon:

Boarman et al. (U.S. Patent No. 6,609,112) teach system and method for providing proxy-based online Dutch auction services.

Chambers et al. (U. S. Pub No. 2005/0055299) teach system and method for facilitating a request for proposal process using auction.

Keyes et al. (U.S. Patent No. 7,165,043) teach valuation prediction models in situation with missing inputs.

Kinney, Jr. et al. (U.S. Patent No. 6,871,191) teach method and system for partial quantity evaluated rank bidding in online auctions.

Kinney, Jr. et al. (U.S. Patent No. 7,010,511) teach method and system for conducting electronic auction with net present value bidding.

Laurenzano, Vincent L. (U.S. Pub No. 2002/0046066) teaches reinsurance and risk management method.

McCormick et al. (U.S. Patent No. 6,049, 773) teach automated method for identification of reinsurance claims.

Ryan et al. (U.S. Patent No. 5,673,402) teach computer system for producing an illustration of an investment repaying a mortgage.

Sweeney et al. (U.S. Pub No. 2002/0032646) teach system and method of automated brokerage for risk management services and products.

Tyler et al. (U.S. Patent No. 5,523,942) teach design grid for inputting insurance and investment product information in a computer system.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bijendra K. Shrestha whose telephone number is (571) 270-1374. The examiner can normally be reached on 7:00 AM-4:30 PM (Monday-Friday); 2nd Friday OFF.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Alexander Kalinowski/
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